



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

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For Information Contact:

Public Affairs

(202) 514-6933

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**U.S. Attorney's Office in District of Columbia
Collects More Than \$1 Billion
In Financial Recoveries During Fiscal Year 2010
- U.S. Attorney Machen Credits New Initiatives, Enhanced Collaboration -**

WASHINGTON - The United States Attorney's Office for the District of Columbia collected more than \$1 billion in criminal and civil actions and asset forfeitures during the most recent fiscal year, reflecting an increased emphasis on aggressively pursuing financial recoveries on behalf of taxpayers and victims, U.S. Attorney Ronald C. Machen Jr. announced today.

The totals included more than \$543 million in criminal and civil asset forfeiture collections in Fiscal Year 2010 – ranking the District of Columbia's office first among the nation's U.S. Attorney's Offices in that category. Another \$577.8 million was collected in criminal actions and \$13.6 million was collected in civil actions, U.S. Attorney Machen said.

"The billion dollars we collected this year are the result of a renewed focus across the Department of Justice, on protecting government resources, compensating victims of crime, and punishing wrongdoers with financial sanctions," said U.S. Attorney Machen. "In these tight fiscal times, we will continue to deliver for the American taxpayer by aggressively pursuing every civil and criminal debt owed to the government."

Nationwide, financial collections in criminal and civil actions in Fiscal Year 2010 reached an all-time high due to the efforts in the District of Columbia and other U.S. Attorneys' offices, according to Department of Justice statistics. All told, the 94 U.S. Attorneys' offices contributed to the collection of \$6.68 billion in criminal and civil actions and another \$1.8 billion nationwide in asset forfeiture actions during the fiscal year, the statistics show.

In Washington, U.S. Attorney Machen has emphasized the importance of asset forfeiture in efforts to fight crime and criminal organizations and to seek justice for victims. The office has acted in cases of all sizes to deprive criminals of their ill-gotten gains, with the largest matter resulting in the forfeiture of \$500 million from a company accused of conspiring to defraud the

United States.

Asset forfeiture is a powerful law enforcement tool that can deprive criminals and criminal organizations of illegal proceeds and instrumentalities of crimes, recover property that may be used to compensate victims, and deter crime. Federal law provides authority to seize and forfeit the proceeds of virtually all serious federal offenses.

Reflecting the importance he places on this mission, Mr. Machen established an Asset Forfeiture and Money Laundering Section earlier this year within the office's Criminal Division. The section's veteran attorneys work with prosecutors and investigating agencies at all stages of the criminal and civil processes to ensure that illegal proceeds are identified and located.

The largest forfeiture for the U.S. Attorney's Office for the District of Columbia – \$500 million – came as a result of the investigation of the former ABN AMRO Bank, a Dutch corporation that was accused of conspiring to defraud the United States, failing to maintain adequate anti-money laundering procedures, and violating U.S. sanctions against countries such as Iran, Libya, the Sudan and Cuba. ABN AMRO agreed to forfeit the money as part of a deferred prosecution agreement. This case was handled jointly by the U.S. Attorney's Office for the District of Columbia and the Department of Justice's Criminal Division.

The \$543 million total also includes \$40 million from a case handled by the Department of Justice's Asset Forfeiture and Money Laundering Section, in which the U.S. Attorney's Office for the District of Columbia provided assistance by processing the payments. Numerous other matters accounted for the remaining \$3 million in forfeiture collections during Fiscal Year 2010.

In addition, the section's significant asset forfeiture work in 2010 included the case against Walter Kendall Myers, a former State Department official, and his wife, Gwendolyn Steingraber Myers, who pleaded guilty to criminal charges for their roles in a nearly 30-year conspiracy to provide highly classified U.S. national defense information to the Republic of Cuba. As part of their plea agreement, they agreed to a \$1.7 million forfeiture money judgment – a substantial portion of which has been collected. The case was handled by the U.S. Attorney's Office and the Department of Justice's National Security Division.

Also in 2010, the Asset Forfeiture and Money Laundering Section litigated two appeals in the U.S. Court of Appeals for the D.C. Circuit in the AdSurf Daily Inc. civil forfeiture actions, which arose out of a \$110 million Ponzi scheme. These actions involve more than \$80 million in fraud proceeds. In one case, the D.C. Circuit dismissed an appeal challenging the government's seizure of proceeds in the case and affirmed a final order of forfeiture on behalf of the United States. The second appeal remains pending.

The U.S. Attorneys' offices also are responsible for enforcing and collecting criminal and civil debts owed to the United States and criminal debts owed to federal crime victims. In the District of Columbia, the Financial Litigation Unit in the Civil Division of the U.S. Attorney's Office aggressively handles these responsibilities.

Collections in criminal actions include restitution, criminal fines, and felony assessments. The law requires defendants to pay restitution to victims of certain federal crimes who have suffered a physical injury or financial loss. While restitution is paid directly to the victim, criminal fines and felony assessments are paid to the Department of Justice's Crime Victims' Fund, which distributes the money to state victim compensation and victim assistance programs.

The \$577.8 million collected in criminal actions by the U.S. Attorney's Office for the District of Columbia includes some significant amounts generated by cases handled primarily by the Department of Justice's litigating divisions. The U.S. Attorney's Office plays an important follow-up role in these cases by assisting in the collection of this money.

In the District of Columbia, the largest criminal fine to be paid was \$400 million ordered in such a shared case against BAE Systems. The company pleaded guilty on March 1, 2010, to conspiring to defraud the United States by impairing and impeding its lawful functions, making false statements about its Foreign Corrupt Practices Act compliance program, and violating the Arms Export Control Act and International Traffic in Arms Regulations.

U.S. Attorney Machen noted that the District of Columbia's totals also included the latest installment of \$25 million in criminal fines being paid by Chiquita Brands International, Inc., stemming from the corporation's guilty plea in 2007 to one count of engaging in transactions with a specially-designated global terrorist. As part of the plea agreement, the corporation is paying \$5 million a year, plus post-judgment interest. The U.S. Attorney's Office worked with the Department of Justice's National Security Division in prosecuting this case.

The bulk of the \$13.6 million in civil collections by the District of Columbia came from affirmative civil enforcement cases, in which the United States recovered government money lost to fraud or other misconduct or collected fines imposed on individuals and/or corporations for violations of federal health, safety, civil rights or environmental laws. In addition, civil debts were collected on behalf of several federal agencies.

Nationwide, Department of Justice statistics indicate that the total amount collected in criminal actions totaled \$2.84 billion. The statistics indicated that \$3.84 billion was collected in civil actions. Combined, these collections represented an all-time high.

The nationwide collection totals for Fiscal Year 2010 represent nearly a 30% increase in criminal collections and 57% increase in civil collections over FY 2009. In FY 2009, the U.S. Attorneys' offices contributed to the collection of more than \$4.6 billion. Of the amount collected, \$2.23 billion was collected criminally and \$2.44 billion was collected civilly. Nationwide, the significant increase in collections was due to various large criminal restitution cases as well as large health care fraud cases.